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**Via Overnight Courier**

Dr. Jean-Pierre Garnier, Chief Executive Officer  
and Director  
GlaxoSmithKline PLC  
980 Great West Rd.  
Brentford Middlesex, United Kingdom  
TW 89GS

Dear Dr. Garnier:

I am writing to you on behalf of the California Public Employees' Retirement System (CalPERS), the nation's largest public pension fund, and a long-term shareowner in GlaxoSmithKline (GSK).

Obviously, as a long-term holder we are deeply concerned over the recent events involving significant companies in the industry, such as Merck regarding Vioxx and the resulting questions on product safety, market confidence and loss of shareowner value. Senate testimony as well as recent articles have also pointed to GSK's asthma drug, Serevent, as one with potential safety concerns. CalPERS is very concerned regarding the greater implications for the industry and of course our investment in GlaxoSmithKline.

During the recent Senate hearings on Vioxx, David Graham of the Food and Drug Administration (FDA) raised serious questions regarding the effectiveness and integrity of the drug approval and monitoring process. Recent events such as the situation with Vioxx also call into question the ability of the industry to effectively address the conflict of interest inherent in its business between safety and profitability.

It is our belief that the board, as well as senior management, have a responsibility above and beyond the scrutiny of the regulatory process to protect and enhance shareowner value over the long-term. Merck as an example has lost more than a third of its market value in the short period since the Vioxx issue surfaced. It is clear that at least some portion of this value destruction is related to lost confidence, separate and distinct from the specific safety issues. While we recognize that the issues regarding GSK and Serevent are not to this level, we nonetheless wish to stress that you take immediate steps to ensure this situation does not occur at GSK.

In light of these issues, CalPERS requests that you address the following:

What steps are you taking to examine the internal processes at GlaxoSmithKline to ensure that similar situations do not occur? We request that you specifically address the issue of continued focus on the safety of existing drugs and how you address the conflict inherent in your business between long-term product safety and short-term profitability.

We are requesting a written response to this question. Please send your response to William Sherwood-McGrew, Portfolio Manager, Corporate Governance at the address listed below. Questions can also be directed to Mr. McGrew at (916) 795-2431.

William Sherwood-McGrew  
CalPERS Corporate Governance Program  
400 P Street  
Sacramento, California 95814  
Bill\_mcgrew@calpers.ca.gov

We appreciate your attention to this request and look forward to your reply.

Sincerely,

Mark Anson

cc: Sean Harrigan, President, CalPERS Board of Administration  
Rob Feckner, Chairman, CalPERS Investment Committee  
Fred Buenrostro, Chief Executive Officer, CalPERS